



GREENWOOD COMMON COUNCIL MARCH 1, 2004 MINUTES

Mayor Charles Henderson called the meeting to order at 7:00 p.m.

The audience recited the Pledge of Allegiance in unison, after which the Rev. Dane Sinn of the Smith Valley Baptist Church offered the invocation.

PRESENT:	Council members Bruce Armstrong, Ron Bates, Bill Bless, Ron Deer, John Gibson, Keith Hardin, Jessie Reed; Mayor Henderson; Clerk-Treasurer Jeannine Myers; and City Attorney Shawna Koons-Davis.
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Mr. Bates moved to accept the minutes of the regular meeting of February 19th, with second by Mr. Bless. Vote: Ayes.

Ms. Koons-Davis had distributed her litigation report. There were no questions from the Council.

Mr. Armstrong reported on the Plan Commission meeting. The proposed new Wal-Mart will be the topic at the next meeting.

Mr. Gibson reported on the Solid Waste Commission, with the commission hoping to expand its facility.

The tax abatement committee will meet Thursday at 7:00 p.m. in the first-floor conference room.

ORDINANCE No. 04-09 – An Ordinance Annexing Certain Territory Contiguous to the City of Greenwood, Indiana, Placing the Same Within the Corporate Boundaries Thereof and Making the Same a Part of the City of Greenwood and Redefining the Corporate Boundaries of the City of Greenwood, Indiana, Approximately .68 Acres Located at the Southwest Corner of S.R. 135 and Smith Valley Road, and Commonly Known as the Schoolcraft Development, Inc. Property. **POSTPONED UNTIL APRIL 19, 2004 MEETING FOR PUBLIC HEARING AND FIRST READING.**

RESOLUTION No. 04-05 – A Resolution of the Greenwood Common Council to Adopt the Written Fiscal Plan for the Annexation of Approximately .68 Acres Located Along the Southwest Corner of S.R. 135 and Smith Valley Road, Referencing Annexation Ordinance No. 04-09. Mr. Deer moved to pass Resolution No. 04-05 through first reading. Second by Mr. Bates. Vote: Ayes. **PASSED FIRST READING.**

RESOLUTION No. 04-06 – A Resolution of the Greenwood Common Council Regarding the Need to Lease Office Space for Various City Departments. Mr. Bless moved to pass Resolution No. 04-06 on first reading. Second by Ms. Reed. The City Attorney reported that the appropriate signatures are on file and have been certified as property owners by the County Auditor. Vote: Ayes. **PASSED FIRST READING.**

ORDINANCE No. 04-05 – An Ordinance to Amend the Official Zoning Map Adopted by Reference in Zoning Ordinance No. 82-1 Entitled “An Ordinance Establishing Comprehensive Zoning Regulations for the City of Greenwood, Indiana, and Providing For the Administration, Enforcement, and Amendment Thereof, In Accordance With the Provisions of I.C. 36-7-4-600 et seq. Laws of Indiana, As Amended, and For the Repeal of All Ordinances in Conflict Herewith” (Proposed Rezoning of approximately .34 acres, Lot 13 of the McCrary Subdivision, located south of County Line Road and on the east side of Meridian Street, commonly known as the Kimbler Property). Mr. Gibson moved to pass Ordinance No. 04-05 on second reading. Second by Mr. Armstrong, who reported that the Plan Commission approved this by a 10 - 0 vote. In response to Mr. Bates, Chief Dhondt indicated that the National Fire Protection Association guidelines are voluntary standards. Vote: Ayes. **PASSED SECOND READING.**

ORDINANCE No. 04-06 – An Ordinance Annexing Certain Territory Within the Area of Extended Jurisdiction of the City of Greenwood, Indiana, Placing the Same Within the Corporate Boundaries

Thereof and Making the Same a Part of the City of Greenwood and Redefining the Corporate Boundaries of the City of Greenwood, Indiana, Approximately .34 Acres Located South of County Line Road and on the East Side of Meridian Street (commonly known as lot 13 of the McCrary Subdivision and the Kimbler Property). Mr. Bates moved to pass Ordinance No. 04-06 through second reading. Second by Mr. Gibson. Vote: Ayes. **PASSED SECOND READING.**

ORDINANCE No. 04-08 – An Ordinance Establishing a Rainy Day Fund For Certain Special Income Tax Distributions. Ms. Reed moved to pass Ordinance No. 04-08 on second reading. Second by Mr. Hardin. Vote: Ayes. **PASSED SECOND READING.**

ORDINANCE No. 04-10 – An Ordinance Providing For an Additional Appropriation From the Cumulative Capital Improvement Fund (\$1,600,000) to the Board of Public Works and Safety for Reconstruction and Repair of a Portion of Streets Located in the Valle Vista Subdivision. Mr. Armstrong praised the draft of the ordinance with no details from him, and indicated that the account should have an operating balance for 2004 of \$2.6 million. Counsel agreed that the ordinance could be amended at first reading. **INTRODUCED.**

RESOLUTION No. 04-07 – A Resolution of the Common Council of the City of Greenwood, Indiana, Authorizing the Reimbursement of Certain Expenditures Made Prior to the Issuance of Long-Term Financing. **INTRODUCED.**

RESOLUTION No. 04-08 – A Resolution Authorizing Appropriation of Proceeds of Bonds For the Purpose of Providing Funds to be Applied to Pay for the Construction and Maintenance of Public Ways, and Incidental Expenses in Connection Therewith and on Account of the Issuance of the Bonds. **INTRODUCED.**

Mayor Henderson invited Sue Beesley of Bingham McHale to discuss the previous two resolutions. Several representatives from Umbaugh & Associates were also in the audience. The Mayor also opened the public hearing for comment. Ms. Beesley explained that Resolution No. 04-07 is a standard resolution adopted in bond issues. In the event funds have been paid in advance for a project, for tax purposes, in order to reimburse yourself for those expenses through the bond issue, the City would have to adopt a “reimbursement resolution”, said Ms. Beesley. Traditionally, those are engineering expenses. Resolution No. 04-08 is the appropriation resolution, continued Ms. Beesley, when and if the bonds are sold. The term of the bond would be 16 years. Collette Irwin-Knott of H.J. Umbaugh & Associates confirmed that the bonds could be paid off early without penalty. Annual payments would be approximately \$575,000. The City would reach approximately ½ of its debt limit of \$12.4 million. Only general obligation indebtedness or property tax levy indebtedness is subject to the constitutional 2% debt limit / 3 (.67). Ms. Beesley told the Council that we acquired our hearing before the State board last week and received a favorable recommendation but now have to wait for our order from the State. Once we receive the order, we must publish notice of the issue of the bonds and proceed with the sale. They would like to have the notice of the sale by the middle of April so that we can close by the end of April and start construction while the weather is good. At any time up until the time of the sale, the sale can be stopped. Ms. Irwin-Knott commented that this decision would be damaging to the credit of the City of Greenwood so they would not recommend it. In response to Mr. Armstrong, Ms. Beesley classified the debt burden for the City of Greenwood as moderate to low. The interest rate used for estimation is approximately 5.75% but Ms. Beesley does anticipate that the bonds would sell closer to about 4.25% if they were selling today. In response to Mr. Deer, the Mayor said that figures he was given several years ago used a 3% inflation rate for construction costs, which Mr. Deer called conservative for a small project – and would probably be 10% a year. There led to more discussion on this factor. As this was introduction tonight, at the suggestion of the Mayor, Mr. Bless moved to continue the public hearing until the next meeting. Second by Mr. Gibson. Mr. Deer called for a point of order, recalling that at the last meeting the Council said that bonding versus Mr. Armstrong’s proposal would be discussed tonight. Vote: Ayes – Reed, Armstrong, Bless, Deer; Nays – Hardin, Bates, Gibson. **PUBLIC HEARING CONTINUED UNTIL MARCH 15, 2004 MEETING (FIRST READING).**

Continuing the discussion, Mayor Henderson referred to a handout and a large wall map to show overlay work and reconstruction done between 1996 and 2003 as well as work that is proposed to be covered by the bond issue. He stressed that the specifications for street construction have been upgraded since his first administration in 1996, when he asked why the new subdivision streets were falling apart. Mayor Henderson estimated that \$500,000 per year would be used for overlay projects to maintain the streets. Seven years ago, then City Engineer Jeff Drake reported that \$1.2 million would be needed to maintain our infrastructure. Today we are still using half that amount. The Mayor indicated that 8 or 9 full-time

employees of the Street Department are picking up limbs and leaves all summer and are not involved in street projects. That number has been reduced under a new plan and will be funded out of Waste Management, he added. He mentioned first subdivisions that have concrete streets that have problems with panels. Under the new plan the number of employees replacing the bad panels would be doubled. Another consideration the Mayor talked about was fixing drainage problems before the overlay project, recounting the underdrains that our crews had put in. With the workforce doubled, the crews would be able to put in underdrains in Shady Creek, Country Aire and Whispering Trails, where they are needed over the next couple of years and still replace the bad panels in the Coopers, Oaks and Briarwood. The Mayor told the Council this would be possible with our normal stream of money and went on to discuss fixing the drainage problem in Imperial Hills, on Cherryfield. Having the bond issue to work on Northern Park and Valle Vista would still not mean that totally solves the problem. Mayor Henderson said he would still be before the Council at times to ask for Cum Cap funds to do major projects. He mentioned Meadowview to Fry Road as needing immediate attention as soon as the weather is good as an example. Smith Valley Road east of State Road 135 is another example. The Mayor asserted that if the Council would pass the bond issue and be open-minded about funding special projects out of Cum Cap funds, in five years the streets of the City would be better than they have ever been.

This led to a discussion of Mr. Armstrong's proposal. The Mayor said that he appreciated a second option but warned that the Cum Cap fund would be depleted after the second year, with still no money to do special projects and roads continually getting worse. He also mentioned that our CAGIT income would go down at least \$350,000 after the bonds on the fire trucks and the Surina Square buildings are paid off in 2006 and 2007. This bond issue would help keep CAGIT money, the Mayor said. Ms. Reed mentioned the disparity in the amounts spent on street repair since 1996, and Mayor Henderson replied that part of our money was going into leaf and limb pickup and into special projects. The Mayor went on to discuss a problem that had developed in the main drainage pipe to U.S. 31. We had a \$400,000 quote but we did half the project for \$55,000 instead of the \$200,000 it would have cost. In response to Mr. Armstrong, the Mayor said he would get estimates on the special projects. Mr. Hardin asked where future Federal matching grants fit into the plan. The Mayor said that Arlington has already been approved and will come out of the TIF fund. He hopes to get the first phase of Fry Road approved this spring; this is also a TIF project. We are also in the process of applying for the second phase. Mr. Bates asked how new office space and the aquatic center would fit into the picture. Mayor Henderson said that those can be done outside the bond indebtedness. Mr. Deer recounted emergency situations over the years and expressed a concern about depleting the Cum Cap Development fund. He asserted that bonds leverage the money in an appropriate fashion.

Mr. Armstrong reiterated that his figures show that the CCI and CCI-Cigarette Tax funds amount to \$2.2 million, and bring in \$1 million a year. His plan would use \$600,000 this year and we would never go below \$1 million in the fund. The Mayor said that this does not leave funds to do other areas. Discussion turned then to this year's projects. Mr. Deer commented that with this plan it would be funded one year at a time, with no guarantee that it would be funded the next year. In response to Mr. Bates, Mr. Deer said that a line of credit does not necessarily mean an emergency and asserted that it is fiscally responsible to fund the bond issue. Ms. Reed argued that the bond issue and Mr. Armstrong's proposal would be handled in the same way and put in the budget year after year as well as saving interest. Mr. Deer countered that costs would increase and there is no legal basis requiring Mr. Armstrong's proposal to be funded year after year, while there is for a bond. There was then discussion about possible emergencies. In response to Mr. Bless, the Mayor said that under the bond issue Northern Park and Valle Vista would be put out for bids this spring, but he would expect two seasons to complete the work. Mr. Deer asked about a response to "appropriate debt", and Mr. Armstrong reiterated that he believes a bond issue is for new construction, not maintenance, and while Northern Park and Valle Vista are severe maintenance, they are maintenance, which is in the budget. Ms. Reed spoke out in favor of Mr. Armstrong's plan. From the audience, Norm Gabehart, Director of Operations, reminded the Council that there is an encumbrance of roughly \$.75 million for Meridian Street. This is in CCD, remarked Mr. Armstrong, not CCI. Mr. Hardin thought the Council should avoid supporting a plan that sets a precedent, and the Mayor agreed that is risky.

Tom Merry of Northern Park expressed his desire that the bond issue would pass and felt it was time for his subdivision, one of the oldest. Charlie Johnson was next and was also concerned about Northern Park and also urged the Council to pass the bond issue. Carl Krick of Valle Vista pointed out that very few in the audience have made a large purchase without borrowing. Mr. Armstrong objected to funding this percentage of our annual budget over sixteen years. A realtor in the audience said that a rule of thumb in his business is not to spend more than a week's salary on each payment. Mr. Deer pointed out that per statute we are allowed to bond a certain percent, which would be \$12 million for Greenwood. Nancy King

of Valle Vista spoke out in favor of the Mayor's plan and agreed with Mr. Deer that the other plan would cost us more, especially in labor and materials after the first year. Scott Jones of Valle Vista agreed that the Mayor is looking at the big picture and appreciates having the Mayor's plan put before the Council for "If you fail to plan, you plan to fail". Pat Roskell said he likes the Mayor's plan for the whole City and said that thinking of this as a maintenance project is wrong. He urged the Council to "invest in the City". Tom Exler of Valle Vista stressed pride in the area and said that the Mayor's proposal is not for Valle Vista and Northern Park but for Greenwood. He also asked why the piecemeal plan hasn't worked for the last four years. Mr. Armstrong took exception to that statement and said that per his proposal the under drains would be put in and his plan would save \$3.7 million. Nate Robe of Valle Vista commended the Council for their deliberations and thought that the Mayor's plan is a good "crystal ball" of where the City is trying to go. Richard Heiney said the basic question is whether the same kind of construction will be done under the Mayor's plan and Councilman Armstrong's plan and whether or not the Mayor's plan would be done this year or in two and we would save \$2.9 million in interest. He commended the higher standards for the streets now.

RESOLUTION No. 04-09 – A Resolution of the Greenwood Common Council Authorizing the Filing of a Grant Application With the Indiana Criminal Justice Institute and/or the U.S. Department of Justice for Funds to Purchase and Install a Video Conferencing System for the Greenwood City Court. **INTRODUCED.** Judge Lewis Gregory explained that this would be a \$75,000 grant to help defray the cost of a video conferencing system that would allow the Court to have video conference hearings within the County jail and would allow more audio/video components in the courtroom. The judge added that they would change to a digital record keeping system. He did not know the total cost of the project but told the Council that he had received an estimate from the company they hired to put together a proposal. The worst-case scenario is \$195,000. Judge Gregory said he would not be asking the Council for general fund money, that they would have sufficient revenue, especially if they are awarded the \$75,000 grant. He agreed with Mr. Hardin that the video conferencing could be used by the Council. At the request of Judge Gregory, Mr. Bless moved to suspend the rules in order to consider first reading. Second by Mr. Gibson. Vote: Ayes – Reed, Armstrong, Bates, Bless, Deer, Gibson; Nay – Hardin. Motion failed.

RESOLUTION No. 04-10 – A Resolution of the Greenwood Common Council Expressing Interest in the Purchase of Land. This land is for the Eastside Interceptor Project, commented counsel. This resolution is required by State statute, as appraisals are expected to exceed \$25,000. There is money in the interceptor project, said Ms. Koons-Davis for this. **INTRODUCED.**

Under miscellaneous business, Ms. Reed said she had a request from a resident on Sheek Road about the speed limits, who thought they were too high. Chief Hessman told her they can do the study but it probably will not indicate that the speed limit should be lowered but rather raised.

Mr. Hardin asked for an update on the employee handbooks. Ms. Koons-Davis said it had been distributed to department heads for review and then given back to the Human Resources Director. The Mayor will look into that.

Ms. Myers told the Council that the City had received a 1782 notice. She shared that information with the Council and asked Eric Reedy of Reedy & Peters to be present to answer questions. Mr. Reedy said that the State uses the 1782 notice to review the budget. He passed out a 2-page synopsis of what the City's options are in funding cuts that the State has projected. Funds that have been cut are: 1) General, \$170,000; 2) Debt Service, \$4,000; 3) MVH, \$169,000; 4) Fire, \$54,000; and 5) Park & Recreation, \$125,000. The City can restore the approved appropriations; i.e., the Council adopted \$9,089,203 for the General Fund versus the State's proposal of \$8,918,000. The first thing to look at, said Mr. Reedy is the main source of revenue, the property tax. This year the statutory maximum property tax levy is \$6,165,669 which is shared with four funds – the CCI (Rate) Fund, the General Fund, the Fire Fund and Park and Recreation Fund. The State can give whatever is less, the advertised amount or the adopted. In the CCI (Rate) fund, the assessed value times the rate is \$749,000 – historically high, as it usually receives between \$350,000 and \$400,000. The State has given us \$2,060,000 in the Fire Fund. The Dept. of Local Government Finance did not contact us to ask where we wanted the cuts so we have to work to restore them. Mr. Reedy told the Council we could levy up to \$2,566,000. This led to discussion on the Fire Department needing yearly additional appropriations. Mr. Reedy recommended in the future that the Council adopt a resolution that directs the State on how to allocate property taxes. Mayor Henderson said that in the past the President of the Council and the Mayor have been directed to go to the hearing and make suggestions as to where the budget could be cut. Mr. Reedy said that the procedure has changed from working one on one with the officials. It is a hearing where they accept the information that you give them, but it is a five-minute hearing and then over, he noted. They work the

documents in a different location and then send the municipalities this impersonal notice. Mr. Reedy stated that of the four funds in the property tax levy, CCI takes whatever the statutory rate is, and if we take action on it during the budget process, the State will accept the rate we give them. For the Park and Recreation Fund, Mr. Reedy said we have an opportunity to restore the \$125,000 cut there. For debt service, Mr. Reedy said that statute allows us to levy whatever property tax is needed to fund it for the year, as it is outside the levy restraints. CCD is also outside maximum levy restraints and is a rate-driven fund which currently receives \$586,000.

Moving on to revenue projections, which Mr. Reedy said could be amended. Building permit revenue was projected at \$125,000 he recalled and actual revenue was \$270,000. So when the State did the projection, they used \$125,000. Court docket fees were projected at \$50,000 while actual revenue was \$261,000. Some revenues were not projected by the Department of Local Government Finance. Riverboat revenue of \$227,000 by statute can be used 20% for a State public safety pension plan, the remainder can be used for water, drainage, TIF, property tax relief. They also didn't project the public depository insurance trust fund money of about \$24,000. The State has held that money in their account for the last three years, said Mr. Reedy, so the account amounts to about \$75,000.

Mr. Reedy moved on to recommended adjustments to the DLGF proposed budget. We have an extension until tomorrow to respond. In the MVH fund, he recommended putting 80% of the riverboat revenue (\$182,000). In the Fire Fund the remaining 20% of the riverboat revenue (\$45,000) and shifting property tax levy of \$50,000. For Park and Recreation Fund, shift property tax of \$150,000 to restore that cut. The General Fund then would need about a \$500,000 transfer from CCI-Cigarette Tax Fund, suggested Mr. Reedy. He also recommended increasing building permit revenues and court docket fees as an alternative with another \$150,000 from CCIF. Mr. Deer moved to use the difference in building permits and court docket fees, with the remaining balance of \$150,000 to come out of CCI and direct the Clerk-Treasurer to inform the State of those wishes. Second by Mr. Bates. Ms. Reed asked about the other option. Mr. Reedy noted that the cash balance was \$1.9 million more than the State was reporting; however, they go on a fund balance basis. That \$1.9 million can be used for additional appropriations. Vote: Ayes. Motion carried for the Clerk-Treasurer to respond to the State as noted. Mr. Reedy went on to compare Greenwood with other communities in Johnson County showing tax liability on a \$100,000 home.

Ms. Myers announced that she will be attending a conference at Ball State the week of March 15th, so she will not be at the next Council meeting.

Ms. Koons-Davis told the Council that the cable franchise expires in June. She had not heard from Insight. She asked for direction on how to proceed by the next meeting. Mayor Henderson is waiting for a suggested date for a meeting, and President Reed will attend as well.

With no further business, the meeting adjourned at 9:15 p.m.